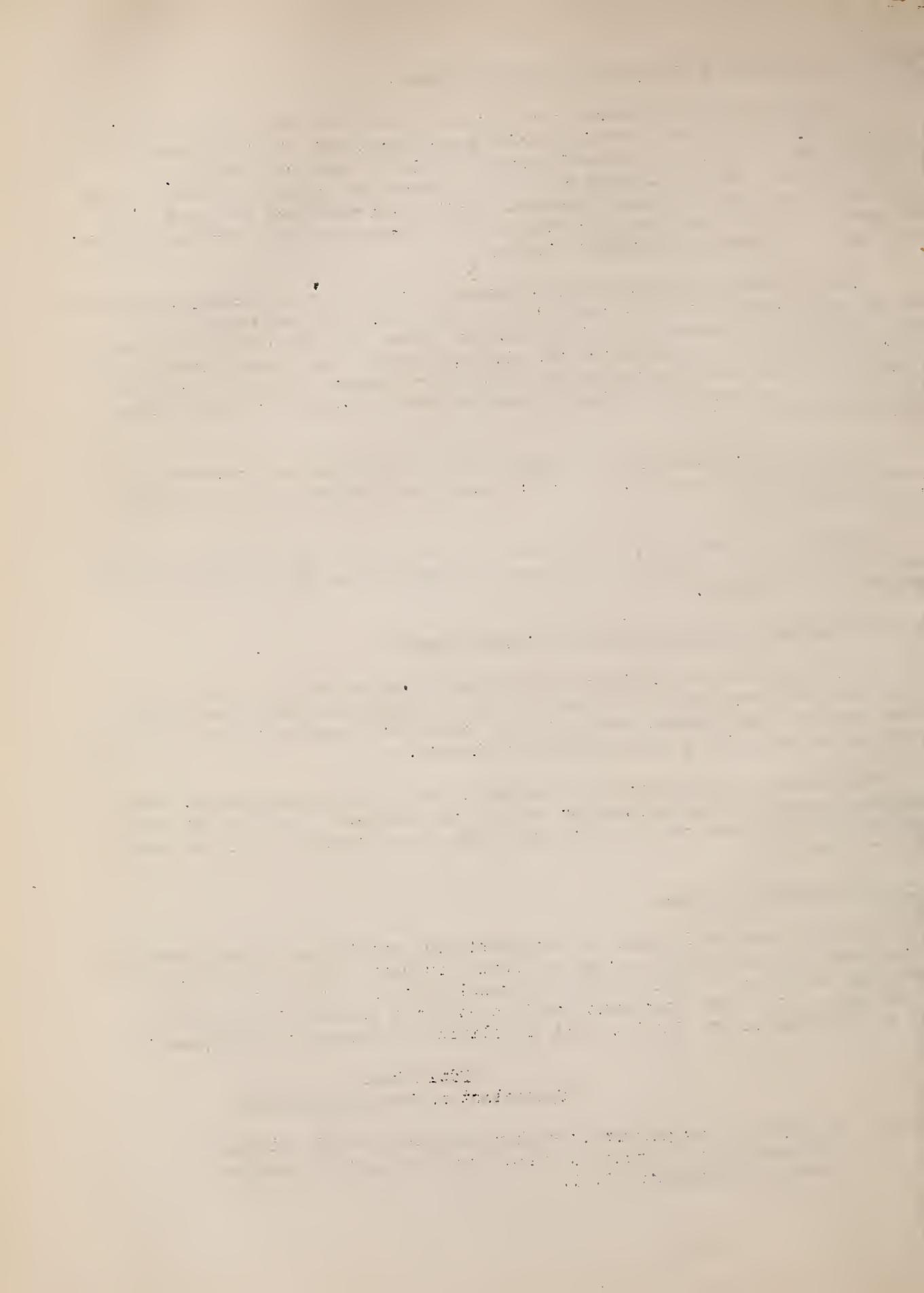


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FOREIGN NEWS ON APPLES

HAMBURG AS A MARKET FOR AMERICAN FRUIT

Hamburg ranked among the four largest export markets for both barreled and boxed American apples in 1913. Its Free Port had been developed and its special fruit sheds and auction sales rooms were the finest in the world.

The cessation of shipping between the United States and Germany, however, brought many changes. Instead of American apples going to Hamburg for reshipment to Scandinavian countries the fruit was actually shipped to the Scandinavian countries in order that it might be reshipped to Germany. Very small quantities of fruit entered Germany during this period, however, and when the war stopped the fruit trade in Germany was practically at a standstill. Hamburg is recovering, however, as a great fruit market.

Hamburg's Facilities for Apple Distribution.

As a primary market for the distribution of American apples Hamburg's facilities are unrivaled. It has good shipping service both from New York and from Pacific Coast ports, and is a focal point for commodity distribution to the countries around the Baltic Sea and to Central Europe.

In the Free Port of Hamburg four large covered quays or sheds are placed at the disposal of the fruit shipments, where cargoes may be discharged, inspected, reconditioned, subdivided, and reshipped without the delay and additional work of customs inspection. These are heated by steam and are admirably equipped for fruit handling. Many of the Hamburg buyers have separate enclosures in these sheds where they maintain facilities for reconditioning fruit. This is especially important in the heavy Spanish and Italian orange business that passes through the port. When fruit is bought for distant markets only good oranges are reshipped. Not only is this advantageous for the condition of the fruit during the period of secondary distribution, but it also avoids the payment of duty on wasty fruit. This feature is not to be seen in other auction markets of Europe.

Auction Methods.

The auction buyers in Hamburg have an association called the Verein von Hamburg Sudfruchtgrosshandler (Association of Hamburg Southern-Fruit Wholesalers) and the auction brokers also have their association, called Auktions-Ordnung der Hamburger Fruchtauktioneren (Auction Association of Hamburg Fruit Auctioneers). The two associations have mutual working arrangements, the buyers looking only to the auction for their supplies of certain fruits, including American apples, and the auctioneers agreeing to sell only to members of the association. Thus Hamburg auction brokers do not sell to Berlin buyers, but such buyers have to look to the Hamburg buyers for their supplies, or as is more commonly the custom, commission them to buy. The Hamburg buyer charges a commission of from 3% to 6% for this service.



The buyers' association appoints two men to select samples. After the steamship company has discharged the cargo and the brokers' men have sorted and piled the fruit according to size, variety, grade, brand, etc., these two men go through and stamp certain packages to be displayed as samples. In lots of 10 packages, one sample is shown; lots of 30 packages, two samples; lots of 50 packages, 3 samples; lots of 100 packages, 4 samples; and lots over 100 packages, 5 samples. The boxes on show are opened up in a row near the lot and buyers have to visit the fruit sheds at the Free Port in order to inspect the fruit they are to bid upon. This results in the buyers being much better judges of the fruit being sold than where they sit in an auction room and have the fruit shown briefly at the front of the audience.

The auction salesroom is in the Fruchthof (Fruit Market), about a mile distant from the sheds in the Free Port. It is a splendidly appointed salesroom, equipped with heavy sound-proof curtains so that it may be divided into two sections with two sales proceeding at once, as is often the case during seasons of heavy arrivals. Sales are held Tuesdays and Thursdays, starting at 1.30 p.m. and lasting until the sales are completed.

Hamburg is also supplied with cold storage facilities, some of which the Hamburg-American Line has provided in the Free Port. This makes it possible to store goods in Hamburg without placing them in bond or paying any attention to German custom house requirements. The storage of apples, however, is a business that the trade has not been accustomed to in the past.

#### Central European Apples and the Hamburg Auction.

Apples from Czecho-Slovakia and the Tyrol, the two principal sources, reach the German markets through devious channels and do not go into distribution by the auction route in the same proportions that American and Spanish fruits do. Large wholesale merchants in various German cities go to the orchard sections and arrange for shipments direct to their places of business, either by buying the fruit from the farmers or by soliciting consignments. Some of these own their own canal boats, and, having collected a boat load, do their own transporting. In other instances local buyers collect supplies from the farmers and either consign them directly to the wholesalers of the larger cities like Berlin, or sell them, or take boat loads to the cities and job them out over a period of several weeks.

The great volume of this fruit that goes direct to the wholesale merchants thus does not pass into distribution over the auction. However, Hamburg fruit brokers do come in for some of this business and when featuring in its distribution, the carloads that are rolled to Hamburg are sold in carload units at a given price per 100 kilos. It is necessary to handle it in this manner since the fruit is shipped in bulk.

#### Boxed Apple Shipments via Panama.

Direct shipments of boxed apples to Hamburg via Panama are becoming very popular. A certain steamship line now has three ships sailing to Pacific Coast points. On November 18 one of them landed her first cargo of boxed apples from the Pacific Coast in Hamburg. The fruit carried in excellent shape and met with popular favour among the trade. On account of the demand for reshipping out of Hamburg the importance of the fruit having much vitality is appreciated, hence



refrigerated shipments from the Pacific Coast are now being looked forward to.

One of the brokers stated that the cargo landed from another boat during the Christmas week had been kept too cold and that the trade would discriminate against it on that account. His judgment regarding well refrigerated shipments was in error, however, since the cargo from this ship did not "melt down" when exposed for sale but remained in the pink of condition, selling for enormous prices on January 6th.

#### Hamburg's Demand for American Apples.

It is apparent that during the balance of the year the German market will take about sixty per cent of the quantity of American apples consumed during the same months in 1923 when the demand was abnormal. Loading brokers thought that the market would absorb from 10,000 to 15,000 boxes per week, but that if heavier shipments were made the market would weaken to a point that would be disastrous to all concerned.

The opinion was expressed in different quarters that the market for barreled apples in Germany is practically dead until some revision is made in the import duty. Formerly when freights were low and when the duty was not an item to be considered barreled apples were imported to meet a low priced buying demand, but with the duty amounting to 10 marks (about \$2.40) per 100 kilos (220 lbs.) the barreled apple is no longer a cheap fruit by the time it passes the German frontier. The result is that the home apples supply the demand for cheap fruit and when anything better is wanted boxed apples are purchased.

Jonathans, Spitzenburgs, Winesaps and Newtowns are the varieties that are most sought for. From 150 to 200 are the preferred sizes. A few apples with sizes up to 125 can be taken, but any larger than this will be discriminated against.

#### Oranges and Grapefruit in Hamburg.

Germany imports large quantities of oranges through Hamburg. The brokers go out to Spain very much as British brokers do and through credits establish shipping connections. Oranges from Italy usually come overland by train, but the bulk of the fruit arrives by ship from Spain with freight rates very little if any higher than to British ports, - from 1/3 (about 30¢) to 1/6 (about 36¢) per case.

These factors cause oranges to sell at the Hamburg auction on the same basis as in British markets. The possibility of shipping American oranges to Germany is limited to the summer season when Spanish and Italian supplies are exhausted.

Grapefruit is being used to a small extent in the larger cities, the demand being principally from the hotels. The supply of grapefruit is obtained from London, and ordered from there as needed. A few hundred cases would swamp the market at the present time.



German brokers are not very sanguine of the possibilities for developing the market for grapefruit. One of the larger brokers saw possibilities in this direction and took the matter up with wholesale merchants throughout Germany some time ago to see if there was not a chance to introduce it by getting them to take a few cases on consignment and thus push its sale, but the demand for it was so little felt that he could not arouse enthusiasm. It was believed, however, that if grapefruit of good quality could be distributed in many wholesale houses and placed on sale at moderate prices that its use would be popularized a great deal faster than it is at the present time.

It is believed that a great deal of effort must be put forth in Germany in order to introduce this fruit. It will require an investment to be made over a period of possibly five years in order to arouse the demand that would eventually repay such an investment.

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Note: Figures on sales and handling costs and storage charges at Hamburg, together with a list of the principal auction brokers selling in Hamburg may be secured upon request from the Foreign Service, Bureau of Agricultural Economics, Washington, D. C.

